



Internal OMES Purchase Card (P-Card) Procedures

Last updated January 2020

I. General

- A. The Office of Management and Enterprise Services (OMES) in conjunction with the State of Oklahoma has established a commercial purchase card (P-Card) program for use by designated employees. This program is authorized by the State of Oklahoma Central Purchasing Act (74 O.S. § 85.5).
- B. The use of this program will facilitate the acquisition of certain goods and services needed for conducting official State business. It is intended that P-Cards be issued to selected employees when the use of the P-Card will enhance agency effectiveness or economy of operation. Cards are issued in the name of the State of Oklahoma but also bear the name of the cardholder and the cardholder's unique account number. Liability for payment to the P-Card provider rests with the State.
- C. OMES employees involved in this program are subject to State ethics laws and directives.
- D. All P-Card transactions will be in compliance with the State of Oklahoma Policy & Procedures for Purchase Card and Online Banking Tool issued by the Central Accounting & Reporting (CAR) Division of OMES unless a written exception is requested of and approved by the OMES authorized approver. These P-Card procedures are part of OMES' internal purchasing procedures.

II. Encumbering Funds

- A. At the beginning of each fiscal year, two (2) separate Authority Orders (AO) will be established for each OMES division and each fund, if appropriate. One AO will be for Information Technology (IT) purchases while the other AO will be for all other purchases.
- B. Each division should ensure they have sufficient encumbrance before a purchase is made. Any necessary changes to the AO should be made prior to purchase.
- C. Payment for these expenditures will be made in accordance with OMES and the State Purchase Card Procedure requirements.

III. Training

- A. Cardholders, Approving Officials and designated Back-up Approvers, P-Card Administrator and Back-Up Administrator must successfully complete the training prescribed by the State Purchasing Director prior to assuming their duties and prior to being issued a P-Card.
- B. Refresher training is required every two (2) years from the date of the last training session. Refresher training shall consist of material approved by the OMES P-Card Administrator and OMES CFO.

IV. P-Card Operations

- A. Cardholders: the P-Card is issued to OMES employees who have been designated by management to purchase goods and services for official use of OMES. Cardholders should be limited to:
 - 1. Designated travel coordinators for travel use only
 - 2. Other employees designated and approved by each Division Director
- B. Property of the State: All P-Cards issued under this program are the property of the State of Oklahoma and shall be surrendered to OMES' P-Card Administrator upon termination of employment or upon request of the cardholder's supervisor, Agency Approving Official, OMES' P-Card Administrator, or the State Purchasing Director.
- C. Governor's Mansion: The P-Card may be used for expenses on behalf of the Governor's mansion as defined in 74O.S. § 7.
- D. Card controls and limits: OMES reserves the option to establish a dollar amount per day limit, number of transactions per day, and/or number of transactions per cycle. OMES shall establish a single item purchase limit of \$5,000 for goods and services except for the following for which there are no limits on the amount of the transaction:
 - 1. Purchases from or statewide contracts issued by the State Purchasing Director
 - 2. Utilities
 - 3. Professional services as defined in 18 O.S. § 803
 - 4. Interagency (Federal, State, County, City government)

V. Using the P-Card

- A. Methods of Purchase: The P-Card may be used for walk-in, telephone, and Internet purchases. It is recommended that Internet purchases be made from a merchant with a secured Internet site. The cardholder is responsible for seeing that the merchandise purchased is received by the Division. A signed packing slip is acceptable confirmation of receipt.

B. Prohibited purchases

1. OMES has established that the following purchases are prohibited on P-Card:

- a. Split Purchasing – Dividing a quantity or failing to consolidate a known quantity of goods or services with the intent of and for the purpose of evading:
 - i. The P-Card statutory single transaction limit of \$5,000 and/or
 - ii. Limit(s) established by an individual P-Card and/or
 - iii. A competitive bidding requirement.
- b. Cash – including cash advances, automatic teller machine (ATM) transactions.
- c. Personal Use – purchases of any goods or services for personal use and not for official State use
- d. Gift Certificates – This does not apply to purchases made pursuant to employee recognition
- e. Motor Fuel or Fluids
- f. Purchase exceeding established limits
- g. Postage or Post Office Box Rental
- h. Payments between OMES Divisions
- i. Goods or services that have already been received, if in order to avoid the ratification process
- j. Transactions that will be directly billed to other agencies, i.e. pass-thru (if an exception is required, written documentation from the P-Card Administrator will be required)

2. Entertainment, Food and Beverages

- a. In accordance with Title 74 O.S. § 500.2 G.1 the Director of the Office of Management and Enterprise Services is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meetings, or training sessions.
- b. In accordance with the Statewide Accounting Manual (Section 8.34.4), payments for the purchase of light food and drink items (e.g. doughnuts, cake, coffee, tea, soft drinks, etc.) and related service items to provide refreshments for meetings or similar type activities held for and in the interest of the general public, including business guests of the agency, are permitted.
- c. All requests for food and entertainment must be submitted to the agency director and receive approval before being purchased. The request must include documentation of the business purpose that such purchase serves. Agency director approval must be attached as a part of the receipt documentation for the purchase. Approval through email is acceptable.
- d. Tipping is permissible based on customer service received but not to exceed 20% of the billing.

3. Advance Payments

- a. In general, advance payments are prohibited. Exceptions following the Statewide Accounting Manual are permitted.
 - i. Payments for subscriptions to magazines, periodicals, or books or for vendors providing subscription services (statutorily allowed in 74 O.S. § 85.44B).
 - ii. Payments to fair boards and other organizations for booth rental if prepayment is required to participate. This requirement must be documented.
 - iii. Registration fees may be paid in advance in two scenarios:
 - a.) Registration fees for conferences, meetings, seminars, and similar events where an organization requires pre-registration along with payment and by standard policy will not accept a state issued Purchase Order in lieu of payment. Documentation on the vendor's stationery describing this fact must be retained.
 - b.) Discounted rate – all of the following criteria must be met:
 - 1.) Registration fees are discounted if registration is paid in advance;
 - 2.) If participant cannot attend, a substitute is allowed; and
 - 3.) The vendor will provide a 100% refund should the event be cancelled.
 - iv. Purchases of items requiring shipping that cannot be received prior to payment such as office supplies, computers, and computer accessories that require payment at the time of purchase and are purchased from SW Contract vendors or approved IT vendors are considered industry standard, approved advance payments.

C. Purchasing Hierarchy

- 1. P-Card purchases shall comply with the following preferences for certain merchants or types of contracts. The following are listed in the order of preference.
 - a. State Use Committee – OMES shall make purchases from a State Use contract regardless of the purchase price unless the state use contracting officer has issued a waiver to OMES
 - b. Oklahoma Corrections Industries (OCI) – OMES shall make purchases from OCI pursuant to 57 O.S. § 549.1 if such article or services is the lowest and best bid as outlined in Rule 260:115-7-3
 - c. Mandatory Statewide Contracts – OMES shall make purchases from mandatory statewide contracts regardless of the purchase price unless the State Purchasing Director has issued a waiver to OMES.
 - d. Non-Mandatory Statewide Contracts- OMES shall make purchase from nonmandatory statewide contracts if not using one of the above methods of purchase
 - e. Local Merchants

D. Purchase Price and Receipts

1. Cardholders shall ensure that prices paid for P-Card purchases are fair and reasonable.
2. Receipts shall be obtained for purchases and uploaded into Works. If a cardholder received email authorization to make a purchase, the email should be included as additional backup to the receipt.
3. If neither a receipt nor confirmation information is available, contact OMES-Finance. Cardholders should consider future use of another merchant who will provide a receipt or confirmation information.
4. If a receipt is lost, contact OMES-Finance. Repeated loss of receipts may be grounds for discontinuing a cardholder's P-Card use or other disciplinary or legal action.

E. P-Card Decline: In the event of a P-Card decline, the individual Cardholder may contact the agency P-Card Administrator for assistance to determine why their card was not accepted or declined.

F. State Sales Tax

1. OMES purchases are exempt from the State of Oklahoma sales tax. Cardholders should exercise care to ensure they are not being charged sales tax. The sales tax identification number is provided on the face of each P-Card.
2. If sales tax is charged on a transaction, it is the cardholder's responsibility to obtain a refund for the full tax amount via the original purchase method (credit on the P-Card).

G. Receiving Goods and Services

1. The receipt for the purchase also serves as the receiving document. It should be annotated "Received" and signed and dated by the receiving employee. Email confirmation of receipt is also acceptable.
2. If the cardholder is also the receiving employee, a second employee shall verify that goods or services were received and also sign and date the receiving document.

H. Sign Off

1. Cardholders must complete the Cardholder signoff process in Works within three business days of the posting of the purchase, including uploading receipts, proper coding, and uploading any pre-purchase approvals.
2. If there is a reason to delay sign-off due to issues with shipping, verification of delivery, fraudulent charges, or dispute with the vendor, then the cardholder must make a note on the transaction within the three-business-day window noting the issue and reason for delay.

I. Funding and Descriptions

1. Cardholders must provide detailed descriptions of the purchase.
2. For ALL purchases, a budget line number must be provided in the appropriate field of the P-Card reconciliation system. If the applicable budget line is not known, contact designated OMES Budget Analyst.

3. For travel related purchases the signed travel request form must be included as part of the receipt as well as:
 - i. Airline (Include traveler's name and/or employee ID number)
 - ii. Lodging (Include traveler's name, employee ID number, room rate stating 1) designated hotel; or 2) standard GSA lodging rate; or 3) federal high GSA lodging rate or 4) tribal lodging)
 - iii. Taxi, Parking, Bus, Train and Shuttle (Include traveler's name, employee ID number, date of travel, and purpose of travel)

J. Reconciling the Monthly Statement

1. Cardholder responsibility

- i. Cardholders will download the P-Card statements for their assigned card.
- ii. The Cardholder statement shall be reconciled by the Cardholder with the Cardholder's receipts and shall be submitted to the OMES P-Card Administrator within two (2) working days after the Bank's official close date.
- iii. The Cardholder's purchase receipts, receiving documents and credit receipts shall be used to verify that purchases and returns are accurately listed on the statement.
- iv. After confirming the transactions on the monthly statement, the cardholders shall sign and date the statement indicating that the cardholder did make the purchases. If the Cardholder is also the P-Card Administrator or the Approving Official, the reconciliation must be approved by someone at least one level above.
- v. After the Approving Official has signed and dated the statement, the Cardholder shall scan the documents and place in the appropriate Division folder at J:\Function\DCS\DCS-CPO.

2. Approving Official's responsibility

- i. Each Approving Official shall review the cardholder reconciled memo statement and supporting documentation for accuracy, completeness, appropriateness of the purchase and whether the transactions were conducted according to State statutes, rules, Central Purchasing procedures and sound business practices.
- ii. Any issue which cannot be resolved between the Approving Official and the Cardholder shall be brought to the attention of OMES P-Card Administrator for resolution.
- iii. To indicate concurrence with the reconciled statement, the Approving Official shall sign and date the statement.

K. Agency Retention of Records

1. In compliance with 51 O.S. §24A.1 and 21 O.S. §590, accounting records regarding P-Card transactions shall be maintained in a central location for a period of seven (7) years and be made available for audit. If an audit, litigation or other action is started before the end of the seven year period, the records are required to be retained for two years from the date that all issues arising out of an audit or until the end of the seven year retention period, whichever is longer. For litigation issues, the records must be retained indefinitely.
2. Electronic records are sufficient method of retention, but if the cardholder also retains a paper copy, this should be retained for 7 years per the statutes.

L. Card Security

1. Use of the P-Card is limited to the person whose name is embossed on the P-Card. The P-Card shall not be loaned to another person. In the event the Cardholder changes jobs, the P-Card shall be returned to OMES' P-Card Administrator and shall not move with the Cardholder to the new job. If the Cardholder is terminated by OMES, the Cardholders shall promptly return the P-Card to OMES P-Card Administrator.
2. It is the responsibility of each cardholders' approver to monitor the employment status of cardholders and to notify the OMES P-Card Administrator of all changes in employment status.

M. Lost or Stolen Cards

1. If a Cardholder P-Card is lost or stolen, the Cardholder shall immediately notify the P-Card Provider (currently Bank of America at 888-449-2273) which is available 24 hours per day. Upon notification, a customer representative will block the use of the card.
2. The Cardholder shall record the date and time of the P-Card Provider was notified as well as the name of the P-Card Provider customer service representative contacted.
3. Next, the Cardholder shall complete a Stolen Card Notification form (OMES Form CP 031) and provide it by the fastest possible means to OMES' P-Card Administrator with a copy to the Agency Approving Official.
4. OMES will be held responsible for purchases on lost or stolen P-Cards until the P-Card Provider has been notified.

N. Expiring Card Renewal: Prior to a P-Card expiration date, the P-Card Provider will prepare a replacement card which will be forwarded to OMES' P-Card Administrator to distribute to each Cardholder.

O. Replacement of Defective, Lost or Stolen Cards: P-Cards may be replaced when the original P-Card is defective or mutilated or when the P-Card has been lost or stolen by reporting it to OMES' P-Card Administrator. Defective or mutilated P-Cards shall be cut through the center of the magnetic strip and turned in to OMES' P-Card Administrator for final disposal.

- P. Willful Violation: Willful violation of P-Card rules and procedures may result in criminal prosecution and in disciplinary action up to and including termination and permanent loss of P-Card privileges.

VI. Approvals

- A. Division Directors: Each Division Director must approve all P-Card issuances and approve all their Division's cardholders on an annual basis.
- B. Approving Official: Each P-Card purchase must be reviewed and approved in Works by an Approving Official at least one level above the Cardholder within three business days of the Cardholder signoff.